


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment Public Project number.	Coordination: Public Works Department, City Attorney's Office, City Manager's Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  5-11-18

SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDER FOR FUEL TANK INSPECTION, TESTING, AND CLEANING SERVICES

RECOMMENDATION:

Adopt a resolution for the City Manager to:

1. Execute a Purchase Order with Elite IV (Stockton, CA) for fuel tank inspection, testing and cleaning services at Citywide fuel sites for an initial twelve-month period, starting on or about May 23, 2018 and ending on or about May 22, 2019, for an amount not-to-exceed \$116,065; and
2. Execute up to four one-year options to extend the term of the Purchase Order with the last option year ending on or about May 22, 2023, subject to the annual appropriation of funds.

Desired Outcome: Ensure the quality of the City of San Jose's fuel through proper maintenance of tanks

BASIS FOR RECOMMENDATION:

The City operates fuel sites at the Police and Fire Department, Department of Transportation, Animal Control Services, and other locations for the purpose of providing fuel for City vehicles. Fuel tank inspection, testing and cleaning services are required to properly maintain the City's fuel tanks to ensure quality of fuel and avoid interruptions in operations as result of fuel degradation.

A competitive Request for Quote (RFQ) was facilitated by the Finance Department to procure fuel tank services. Two bids were received from Elite IV and Advanced Fuel Services, Inc., who submitted bids of \$116,065 and \$139,150, respectively. Staff recommends award to Elite IV as the lowest responsive and responsible bidder pursuant to the informal bidding procedures of the San José Municipal Code, Section 4.12.310C.

Commission Recommendation/Input: There is no commission recommendation or input is associated with this action.

This Council item is consistent with the City's 2017-1018 Adopted Operating Budget City Areas Delivery Framework: "to effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects."

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name*	Total Appn	Amt. for Recommendation	2017-2018 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No)
552	0572	Non-Personal/Equipment	\$1,426,043	\$116,065	1050	06/20/2017, Ord. No. 29962

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director, Finance at (408) 535-7059